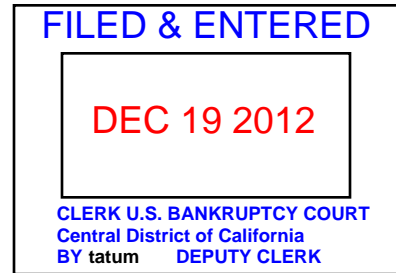


Exhibit 4

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Jeffrey W. Dulberg (CA Bar No. 181200)
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Counsel for the Liquidating Trusts
of PCHLI, PCFI, and PCFC



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

**PEOPLE'S CHOICE HOME LOAN,
INC., et al.,**¹

Debtors.

Case No.: 2:12-bk-15811-RK
Chapter 11

(Jointly Administered with Case Nos. 2:12-bk-16200-RK and 2:12-bk-16201-RK)

(Transferred from 8:07-bk-10765-RK and Jointly Administered with 8:07-bk-10767-RK and 8:07-bk-10772-RK)

**ORDER GRANTING MOTION OF
THE PC TRUSTS FOR ORDER
APPROVING SETTLEMENT
AGREEMENT BETWEEN THE PC
TRUSTS AND RESIDENTIAL
FUNDING COMPANY, LLC
REGARDING REPURCHASE
OBLIGATIONS CLAIM AND
ADDITIONAL COSTS CLAIM
PORTIONS OF CLAIM NO. 508**

Hearing:

Date: December 18, 2012

Time: 2:30 p.m.

Place: Courtroom 1675
255 E. Temple Street
Los Angeles, CA 90012

Judge: Hon. Robert N. Kwan

¹ The Debtors in these cases were People's Choice Home Loan, Inc.; People's Choice Funding, Inc.; and People's Choice Financial Corporation.

1 The *Notice of Motion and Motion of The PC Trusts for Order Approving Settlement*
2 *Agreement Between the PC Trusts And Residential Funding Company, LLC Regarding Repurchase*
3 *Obligations Claim and Additional Costs Claim Portions of Claim NO. 508* (the “Motion”)² [Docket
4 No. 2641] filed on November 27, 2012 by the Liquidating Trusts of People’s Choice Home Loan,
5 Inc. (“PCHLI”), People’s Choice Funding, Inc. (“PCFI”), and People’s Choice Financial
6 Corporation (“PCFC”) (collectively, the “PC Trusts” and formerly the “Debtors”), by and through
7 Ronald F. Greenspan, solely as the duly authorized and acting Liquidating Trustee for each of the PC
8 Trusts (the “Liquidating Trustee”) under the confirmed chapter 11 Plan in the Debtors’ cases came
9 before the Court at the above-referenced date and time. Appearances are as reflected on the Court’s
10 record.

11 The Court, having considered the Motion, the supporting Memorandum of Points and
12 Authorities, and the files and records of the herein Case; the Court having found that notice of the
13 Motion was sufficient and appropriate; no objection or opposition to the Motion having been filed;
14 and good cause appearing for the granting of the Motion as set forth in the Court’s Tentative Ruling
15 thereon;

16 **IT IS HEREBY ORDERED** that:

- 17 1. The Motion is GRANTED in its entirety;
- 18 2. The Debtors are authorized to enter into the Repurchase Claim Settlement Agreement
19 between the PC Trusts and Residential Funding Company, LLC (“RFC”) (the “Settlement
20 Agreement”), attached as **Exhibit A** to the Motion, and the Settlement Agreement is approved in all
21 respects;
- 22 3. The PC Trusts are authorized to enter into and take any and all actions reasonably
23 necessary to effectuate the Settlement Agreement;
- 24 4. Pursuant to the Settlement Agreement, the RFC Repurchase Claim portion of Claim
25 No. 508 is reduced and allowed as a general, unsecured, non-priority claim against PCHLI in the
26 amount of \$21,321,618 upon approval of the Settlement Agreement by the RFC Bankruptcy Court in
27 the RFC Bankruptcy Case;

28

² Capitalized terms undefined herein shall have the meaning attributed to them in the Motion.

1 5. The allowed RFC Repurchase Claim is allocated to the Mortgage Loans and in the
2 amounts as set forth in the Settlement Agreement and Exhibit A thereto.; and

3 6. Nothing herein is intended to alter the terms of the Settlement Agreement, the terms
4 of which are approved in their entirety.

5 **IT IS SO ORDERED.**

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DATED: December 19, 2012


United States Bankruptcy Judge

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND RESIDENTIAL FUNDING COMPANY, LLC REGARDING REPURCHASE OBLIGATIONS CLAIM AND ADDITIONAL COSTS CLAIM PORTIONS OF CLAIM NO. 508** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On December 19, 2012, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

RFC

Michael Stewart / Theresa Dykoschak
Faegre & Benson
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **December 19, 2012**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via HAND DELIVERY

U.S. Bankruptcy Court
Attn: Honorable Robert N. Kwan
255 East Temple Street
Courtroom 1675
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 19, 2012
Date

Paige Doyle
Printed Name

/s/ Paige Doyle
Signature

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND RESIDENTIAL FUNDING COMPANY, LLC REGARDING REPURCHASE OBLIGATIONS CLAIM AND ADDITIONAL COSTS CLAIM PORTIONS OF CLAIM NO. 508** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** – Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of December 19, 2012, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

☒ Service information continued on attached page

2. **SERVED BY THE COURT VIA UNITED STATES MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

☐ Service information continued on attached page

3. **TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

☒ Service information continued on attached page

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

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3. SERVED BY THE LODGING PARTY BY UNITED STATES MAIL:

Liquidating Trustee

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633 West 5th Street, Suite 1600
Los Angeles, CA 90071-2027

U.S. Trustee's Office

Nancy S. Goldenberg, Esq.
Office of the U.S. Trustee
411 W. Fourth Street, Ste. 9041
Santa Ana, CA 92701-4593

RFC

Michael Stewart / Theresa Dykoschak
Faegre & Benson
2200 Wells Fargo Center
90 South Seventh Street
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**POST-EFFECTIVE DATE
COMMITTEE**

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**REQUEST FOR SPECIAL NOTICE
POST-PETITION**

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New York, NY 10022

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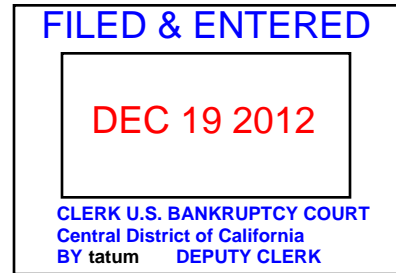
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Counsel for the Liquidating Trusts
of PCHLI, PCFI, and PCFC



UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:

**PEOPLE'S CHOICE HOME LOAN,
INC., et al.,**¹

Debtors.

Case No.: 2:12-bk-15811-RK
Chapter 11

(Jointly Administered with Case Nos. 2:12-bk-16200-RK and 2:12-bk-16201-RK)

(Transferred from 8:07-bk-10765-RK and
Jointly Administered with 8:07-bk-10767-RK and 8:07-bk-10772-RK)

**ORDER GRANTING MOTION OF
THE PC TRUSTS FOR ORDER
APPROVING SETTLEMENT
AGREEMENT BETWEEN THE PC
TRUSTS AND RESIDENTIAL
FUNDING COMPANY, LLC
REGARDING THE WAREHOUSE
UNSECURED CLAIM PORTION OF
CLAIM NO. 508 IN THE PCHLI CASE,
CLAIM NO. 119 IN THE PCFI CASE
AND CLAIM NO. 127 IN THE PCFC
CASE**

Hearing:

Date: December 18, 2012
Time: 2:30 p.m.
Place: Courtroom 1675
255 E. Temple Street
Los Angeles, CA 90012

¹ The Debtors in these cases were People's Choice Home Loan, Inc.; People's Choice Funding, Inc.; and People's Choice Financial Corporation.

1 The *Notice of Motion and Motion of The PC Trusts for Order Approving Settlement*
2 *Agreement Between the PC Trusts And Residential Funding Company, LLC Regarding the*
3 *Warehouse Unsecured Claim Portion of Claim No. 508 in the PCHLI Case, Claim No. 119 in the*
4 *PCFI Case And Claim No. 127 In The PCFC Case* (the “Motion”) ² [Docket No. 2640] filed on
5 November 27, 2012 by the Liquidating Trusts of People’s Choice Home Loan, Inc. (“PCHLI”),
6 People’s Choice Funding, Inc. (“PCFI”), and People’s Choice Financial Corporation (“PCFC”)
7 (collectively, the “PC Trusts” and formerly the “Debtors”), by and through Ronald F. Greenspan,
8 solely as the duly authorized and acting Liquidating Trustee for each of the PC Trusts (the
9 “Liquidating Trustee”) under the confirmed chapter 11 Plan in the Debtors’ cases came before the
10 Court at the above-referenced date and time. Appearances are as reflected on the Court’s record.

11 The Court, having considered the Motion, the supporting Memorandum of Points and
12 Authorities, and the files and records of the herein Case; the Court having found that notice of the
13 Motion was sufficient and appropriate; no objection or opposition to the Motion having been filed;
14 and good cause appearing for the granting of the Motion as set forth in the Court’s Tentative Ruling
15 thereon;

16 **IT IS HEREBY ORDERED** that:

- 17 1. The Motion is GRANTED in its entirety;
- 18 2. The Debtors are authorized to enter into the Warehouse Claim Settlement Agreement
19 between the PC Trusts and Residential Funding Company, LLC (“RFC”) (the “Settlement
20 Agreement”), attached as **Exhibit A** to the Motion, and the Settlement Agreement is approved in all
21 respects;
- 22 3. The PC Trusts are authorized to enter into and take any and all actions reasonably
23 necessary to effectuate the Settlement Agreement;
- 24 4. Pursuant to the Settlement Agreement, Claim No. 119, Claim No. 127 and the
25 Warehouse Unsecured Claim Portion of Claim No. 508 are reduced and allowed as a general,
26 unsecured, non-priority claim against PCHLI in the amount of \$44,082,558.55 upon approval of the
27 Settlement Agreement by the RFC Bankruptcy Court in the RFC Bankruptcy Case;

28

² Capitalized terms undefined herein shall have the meaning attributed to them in the Motion.

1 5. Nothing herein is intended to alter the terms of the Settlement Agreement, the terms
2 of which are approved in their entirety.

3 **IT IS SO ORDERED.**

4 ###

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

25 DATED: December 19, 2012

23 
24 _____
25 United States Bankruptcy Judge

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND RESIDENTIAL FUNDING COMPANY, LLC REGARDING THE WAREHOUSE UNSECURED CLAIM PORTION OF CLAIM NO. 508 IN THE PCHLI CASE, CLAIM NO. 119 IN THE PCFI CASE AND CLAIM NO. 127 IN THE PCFC CASE** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On December 19, 2012, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

RFC

Michael Stewart / Theresa Dykoschak
Faegre & Benson
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Minneapolis, MN 55402-3901

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **December 19, 2012**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via HAND DELIVERY

U.S. Bankruptcy Court
Attn: Honorable Robert N. Kwan
255 East Temple Street
Courtroom 1675
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 19, 2012
Date

Paige Doyle
Printed Name

/s/ Paige Doyle
Signature

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*): **ORDER GRANTING MOTION OF THE PC TRUSTS FOR ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN THE PC TRUSTS AND RESIDENTIAL FUNDING COMPANY, LLC REGARDING THE WAREHOUSE UNSECURED CLAIM PORTION OF CLAIM NO. 508 IN THE PCHLI CASE, CLAIM NO. 119 IN THE PCFI CASE AND CLAIM NO. 127 IN THE PCFC CASE** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) – Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of December 19, 2012, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

☒ Service information continued on attached page

2. SERVED BY THE COURT VIA UNITED STATES MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

☐ Service information continued on attached page

3. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

☒ Service information continued on attached page

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